

**Amendment No. 2 to SB0501**

**McNally  
Signature of Sponsor**

**AMEND Senate Bill No. 501\***

**House Bill No. 506**

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 49-3-351(a), is amended by deleting subdivision (4) in its entirety.

SECTION 2. Tennessee Code Annotated, Section 12-4-320, is amended by deleting the section in its entirety.

SECTION 3. Tennessee Code Annotated, Title 4, is amended by deleting Chapter 32 in its entirety.

SECTION 4. Tennessee Code Annotated, Section 41-52-104, is amended by deleting the words "finance and administration" and by substituting instead the word "correction".

SECTION 5. Tennessee Code Annotated, Section 12-2-117(b), is amended by adding the following subdivisions:

(3) Notwithstanding the provisions of subdivision (b)(2) , on June 30, 2013, the commissioner of finance and administration shall transfer from the special trust fund to the general fund an amount of \$1,923,100 in order to recognize the fiscal year 2011-2012 transition costs related to the closure of Lakeshore mental health institute, which were funded by an appropriation from the special trust fund in Public Acts of 2012, Chapter 1029, Section 38, and, if the 2013 general appropriations bill provides for such additional transfer, an amount not to exceed \$2,700,000, relative to an appropriation in the 2013 general appropriations act from the special trust fund for additional transition costs which may be incurred in fiscal years 2012-2013 and 2013-2014. The

Amendment No. 2 to SB0501

McNally  
Signature of Sponsor

**AMEND Senate Bill No. 501\***

**House Bill No. 506**

commissioner of finance and administration shall determine the amount of the additional transfer in accordance with provisions stated in the 2013 general appropriations act.

(4) If the 2014 or future general appropriations acts provide for funding of additional transition costs related to the closure of Lakeshore mental health institute, then the commissioner of finance and administration is authorized to transfer from the special trust fund to the general fund such additional amounts as may be specified in the general appropriations act.

(5) The general assembly expressly declares that the transition costs addressed in subdivisions (b)(3) and (b)(4) may include, without limitation, severance benefits, terminal leave, other pay and benefits costs, build-out costs, transition to community services costs, and other costs of closure of the institute.

SECTION 6. Tennessee Code Annotated, Section 71-3-106, is amended by deleting the section in its entirety.

SECTION 7. Tennessee Code Annotated, Title 9, Chapter 4, is amended by deleting Part 55 in its entirety.

SECTION 8. Tennessee Code Annotated, Title 54, Chapter 2, is amended by deleting Part 2 in its entirety.

SECTION 9. Tennessee Code Annotated, Title 12, Chapter 2, Part 1, is amended by adding the following sections:

**12-2-119.** Notwithstanding any provision of law to the contrary, proceeds from the sale and conveyance of surplus real property or improvements managed as state office buildings and support facilities revolving fund property shall be deposited in the

state office buildings and support facilities revolving fund, created by § 9-4-901, to be used for capital outlay.

**12-2-120.** Notwithstanding any provision of law to the contrary, proceeds from the sale and conveyance of surplus real property or improvements used for operation of state prisons, if not managed as state office buildings and support facilities revolving fund property, shall be deposited in the Sentencing Act of 1985 reserve, created pursuant to § 9-4-210, to be used for purposes authorized by that section.

**12-2-121.** Notwithstanding any provision of law to the contrary, proceeds from the sale and conveyance of surplus real property or improvements used for state armories or other operations of the department of military, if not managed as state office buildings and support facilities revolving fund property, shall be deposited in a reserve for military facilities, which hereby is created in the general fund, to be used for capital outlay for replacement facilities of the department and other capital outlay of the department.

**12-2-122.** Notwithstanding any provision of law to the contrary, proceeds from the sale and conveyance of surplus real property or improvements managed as wildlife resources agency property shall be deposited in the wildlife resources fund, created by § 70-1-401, to be used for purposes authorized in § 70-1-401; provided, however, that in instances in which such property was acquired or improved in whole or in part using funds other than wildlife resources funds, the proceeds of such sale or conveyance shall be deposited in the wildlife resources fund only to the extent of wildlife resources fund participation in the acquisition or improvement, and the remaining balance of such proceeds shall be deposited according to other applicable law. The commissioner of finance and administration shall determine the extent of wildlife resources fund participation in acquisition or improvement of such property based upon the percentage of acquisition and improvement cost borne by the wildlife resources fund.

SECTION 10. Tennessee Code Annotated, Section 4-3-1011(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

(a) Notwithstanding any provision of the law to the contrary, upon receiving from the commissioner of finance and administration the approved work program, as provided in § 9-4-5110, for the department of commerce and insurance, division of regulatory boards, and department of health, division of health-related boards, the commissioners of those departments shall certify by October 31 to the commissioner of finance and administration and, as applicable, to the director of the division of regulatory boards, as defined in § 4-3-1304, and to the director of the division of health-related boards, as defined in § 63-1-131, the total amount of board fee revenue required by each board for the current fiscal year, based on the approved work program. The commissioners of commerce and insurance and of health shall include the direct costs allocated to each board for the then-current fiscal year and shall reduce the certified amount by the amount of any excess fees from the immediately preceding two-year period, it being the legislative intent that fees and expenditures should be equal over a two-year period for each board, as provided in § 4-29-121. Such certification shall not preclude the retention of any board fee revenue estimated to be required for support of each board's operation for the then-current two-year period.

SECTION 11. Tennessee Code Annotated, Section 4-3-1011(c)(1), is amended by deleting the word "commissioner's".

SECTION 12. Tennessee Code Annotated, Sections 4-3-1011(c)(1) and (2), are amended by inserting after the word "commissioner" the words "of finance and administration".

SECTION 13. The language of Tennessee Code Annotated, Section 4-3-1011, as amended by this act, shall be transferred in its entirety to Title 9, Chapter 4, Part 51, and shall be redesignated as § 9-4-5117.

SECTION 14. Tennessee Code Annotated, Section 68-203-104(a)(1), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(1) Notwithstanding any provision of the law to the contrary, upon receiving from the commissioner of finance and administration the approved work program allotments, as provided in § 9-4-5110, for the department of environment and conservation, the commissioner of environment and conservation shall certify to the commissioner of finance and administration and to the promulgating authorities the amount of fees required by each program for the current fiscal year, based on the approved work program. Upon receipt of such certification, all such fee schedules shall be reviewed by the promulgating authority.

SECTION 15. Tennessee Code Annotated, Section 68-203-104(a)(4), is amended by deleting the words “commissioner of finance and administration’s certification” and by substituting instead the word “certification”.

SECTION 16. Tennessee Code Annotated, Section 9-4-5106(a)(4), is amended by deleting from the final sentence the language “at the time the budget is submitted” and by substituting instead the language “ no later than fourteen (14) days after the budget document is transmitted or by the general bill cut-off date in the respective houses, whichever is later”.

SECTION 17. Tennessee Code Annotated, Title 9, Chapter 4, Part 6, is amended by adding the following section:

**9-4-611.** Notwithstanding any provision of law to the contrary, no member of any state board or commission established by law or pursuant to law, which receives an appropriation, regardless of the source of funding, shall receive any compensation, whether denominated per diem or by whatever name called, except for days in which such member actually works four (4) or more hours performing duties directly relating to that board's or commission's activities or for time or days spent attending meetings of that board or commission. The provisions of this section shall not preclude payment of

salaries which are set by law in annual or monthly amounts. The chair or head of each board or commission, the department head to which such board or commission is attached administratively, and the commissioner of finance and administration shall prescribe procedures to contain, as a minimum, a certification of time worked by each member claiming compensation.

SECTION 18. Tennessee Code Annotated, Section 67-4-1709, is amended by designating the existing language as subsection “(a)” and by adding the following subsection:

(b) State agencies, including without limitation the university of Tennessee and the state university and community college system, are authorized to pay the privilege tax levied in this part on behalf of full-time state employees who are subject to the tax and who use the certification in their job duties, if an appropriation for such purpose is made in the general appropriations act. The payment by a state department or agency is subject to approval by the department or agency head and to the provisions of this part.

SECTION 19. Tennessee Code Annotated, Title 8, Chapter 25, Part 3, is amended by adding the following section:

**8-25-309.** The state treasurer may assess the costs associated with administering this program to the participating employees in order that such plan shall operate without administrative cost to or contribution from this state.

SECTION 20. Tennessee Code Annotated, Section 8-25-501, is amended by adding the following subsection:

(d) With concurrence of the state insurance committee, the state treasurer may credit plan savings and assess the costs associated with administering these programs to the state agencies of participating employees, it being the intent that state agency payroll savings deriving from the plan be the funding source for administration.

SECTION 21. Tennessee Code Annotated, Title 8, Chapter 26, is amended by adding the following section:

**8-26-116.** Notwithstanding any provision of law to the contrary, claims for official travel expenses of state employees and members of boards and commissions shall be subject to the provisions of the uniform travel rules and regulations issued by the commissioner of finance and administration pursuant to § 4-3-1008, except for employees and members of boards and commissions attached to the court system and the general assembly, who shall be subject to travel rules and regulations under law applying to them and approved by the head of those departments.

SECTION 22. Tennessee Code Annotated, Section 8-26-101(1), is amended by designating the existing language as subdivision “(A)” and by adding the following subdivision:

(B) From the appropriation made in the appropriations act for the operation of such courts, the justices, judges, and chancellors shall be reimbursed for necessary travel expenses incurred by them during their absence from the counties of their residence on official business; provided, however, that such travel expenses shall be limited to board and lodging and mileage or conveyance expense each way necessary to travel on official business. Any justice, judge, or chancellor seeking reimbursement for official expense under this section shall file with the director of the administrative office of the courts, or other official upon whom this duty may be lodged by law, a statement of such amounts necessarily expended in the discharge of such official duties, and upon receipt of this verified statement, warrant for reimbursement for such expenses shall be issued.

SECTION 23. Tennessee Code Annotated, Section 40-18-107, is amended by designating the existing language as subsection “(a)” and by adding the following subsection:

(b) Notwithstanding the provisions of subsection (a), if a judicial proceeding is transferred from one jurisdiction to another for trial on a defendant's motion for change of

venue, then the limitation of one thousand dollars (\$1,000) for the board and lodging of the jury shall not apply, provided that the comptroller of the treasury, on the advice of the attorney general and reporter, determines that additional funds for boarding and lodging of the jury are necessary.

SECTION 24. Tennessee Code Annotated, Section 9-4-5113, is amended by designating the existing language as subsection “(a)” and by adding the following subsections:

(b) The provisions of subsection (a) shall not apply to the general assembly, state court system, district attorneys general, district public defenders, office of the post-conviction defender, secretary of state, comptroller of the treasury, and the state treasurer; provided, however, that the chief administrative officer for each of these agencies shall ensure, before entering into any contract, agreement, or obligation involving the expenditure of money, that there is a balance in the appropriation from which such obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

(c) All funds appropriated to the secretary of state, comptroller of the treasury, and state treasurer shall be administered in a ministerial capacity by the department of finance and administration in accordance with budgets and any revisions thereto of the respective entities for which such appropriations are made.

SECTION 25. Tennessee Code Annotated, Section 4-3-1006, is amended by adding the following subdivision:

(8) Examine all requisitions for purchases as the department may deem necessary, with power and authority to refuse to approve or honor any and all requisitions for purchases, except requisitions for purchases of the general assembly, state court system, attorney general and reporter, secretary of state, comptroller of the treasury, and state treasurer.



SECTION 26. Tennessee Code Annotated, Section 4-3-1105, is amended by adding the following subdivision:

(22) Impose a reasonable real estate transaction fee on all real estate transactions when the transaction is processed through the department of general services and to grant a fee waiver when deemed appropriate by the department. Said fee structure and waivers shall be subject to approval by the state building commission.

SECTION 27. Tennessee Code Annotated, Section 8-30-104(a), is amended by inserting the following language as subdivision "(16)" and by renumbering subsequent subdivisions accordingly:

(16) In consultation with the commissioner of finance and administration, to designate a position or positions of appropriate classification within each executive branch agency of state government as chief fiscal officer or officers for that agency. Qualifications and appointments to fill any such position that, from time to time, may be vacant shall be in accordance with procedures established by the commissioner of human resources, with the approval of the commissioner of finance and administration. For the purposes of this subdivision, the term "chief fiscal officer" shall mean the position within a state agency that has overall daily responsibility for oversight of the agency fiscal operation;

SECTION 28. Tennessee Code Annotated, Section 8-23-202, is amended by adding the following subsection:

(c) The commissioner of finance and administration is authorized to require that salaries of state employees be paid through direct-deposit procedures in accordance with policies established by the commissioner.

SECTION 29. Tennessee Code Annotated, Section 4-3-1006, is amended by adding the following subdivision:

(9) Review and approve or refuse to approve any personal services, professional services, or consultant services contract concerning management services of all types, management studies, planning services, public relations, evaluations, systems designs, data processing, auditing, or accounting services entered into by an executive branch department or agency of state government.

SECTION 30. Tennessee Code Annotated, Section 9-4-601(a), is amended by designating the existing language as subdivision "(1)" and by adding the following subdivision:

(2) Notwithstanding the provisions of Title 66, Chapter 29, warrants, drafts, and checks drawn on the state treasury that have not been redeemed within twelve (12) months of issue date shall be cancelled and written off the state's books, with the funds reverting to the fund of issue. Subsequent claims by the payee of said instruments shall be honored upon receipt of documentation to substantiate the claim. The commissioner of finance and administration and the state treasurer shall ensure the state's compliance with the unclaimed property law.

SECTION 31. Tennessee Code Annotated, Title 9, Chapter 1, is amended by adding the following section:

**9-1-120.**

(a) Except to the extent that sovereign immunity is expressly waived by the general assembly, all appropriations of state revenues and departmental revenues previously and hereafter made to the state, its departments, agencies, boards, educational institutions, instrumentalities, and incorporated entities performing the state's governmental functions shall be state funds and shall be protected by the state's sovereign immunity from every court's judgment, decree, attachment, or other legal process.

(b) Except to the extent that sovereign immunity is expressly waived by the general assembly, all appropriations of state funds and institutional and

program revenues previously and hereafter made to institutions and programs of higher education shall be state funds and shall be protected by the state's sovereign immunity from any court's judgment, decree, attachment, or other legal process.

SECTION 32. Tennessee Code Annotated, Section 4-4-101, is amended by designating the existing language as subsection "(a)" and by adding the following subsection:

(b) Notwithstanding the provisions of subsection (a), no state department or agency in the executive branch of state government shall make organizational changes within such department or agency without the prior approval of the commissioner of finance and administration. If such organizational changes require a transfer of funds between organizational accounts and are contrary to the manner in which appropriations have been made in the appropriations act, then such transfer of funds is subject to approval by the commissioner of finance and administration and by a majority of a committee comprised of the speaker of the senate, speaker of the house of representatives, and the comptroller of the treasury; provided, however, if the transfer of funds is merely a change in the organizational account to which the appropriation is allocated and does not constitute a change in the purpose of the appropriation, then the approval of the committee shall not be required, provided further, however, the approval of the commissioner of finance and administration shall be required.

SECTION 33. Tennessee Code Annotated, Section 9-4-5110, is amended by designating the existing language as subsection "(a)" and by adding the following subsection:

(b) Notwithstanding the provisions of subsection (a), the speakers of the senate and the house of representatives or, by joint delegation, their director of legislative administration; the chief justice or, by delegation, the administrative director of the courts; the attorney general and reporter; the secretary of state; the comptroller of the treasury; and state treasurer are authorized to revise their respective budgets and

personnel authorizations within the appropriations made in the appropriations act and to submit those revised summaries to the commissioner of finance and administration, who shall approve the work program of those agencies, if within the amounts appropriated.

SECTION 34. Tennessee Code Annotated, Section 9-4-5112, is amended by designating the existing language as subsection “(a)” and by adding the following subsection:

(b) Revisions to the work programs of the secretary of state, comptroller of the treasury, and state treasurer shall be approved by the commissioner of finance and administration if submitted in accordance with the provisions of the appropriations act, if within the amounts appropriated, and if submitted with the concurrence of the speaker of the senate and the speaker of the house of representatives.

SECTION 35. Tennessee Code Annotated, Section 12-2-102, is amended by deleting the language “finance and administration” and by substituting instead the language “general services”; and is further amended by deleting the language “one (1) with the state planning office,”.

SECTION 36. Tennessee Code Annotated, Sections 12-2-103, 12-2-104, 12-2-105, 12-2-106, 12-2-108, 12-2-109, 12-2-111, 12-2-112, 12-2-114, and 12-2-116, are amended by deleting the language “finance and administration” and by substituting instead the language “general services”.

SECTION 37. Tennessee Code Annotated, Section 12-2-112(a)(7), is amended by deleting the first sentence and by substituting instead the following:

The funds so collected from the sale and conveyance of such property not otherwise specified shall be paid into the general fund of the state; provided that all expenses incurred during such sale shall be paid from the proceeds and the balance of such proceeds shall be deposited into the general fund, except where otherwise provided by law. In instances in which other law specifies that the proceeds be

deposited into a fund other than the general fund or into a special account in the general fund, the expenses of such sale or conveyance shall be paid from such other fund or special account.

SECTION 38. Tennessee Code Annotated, Section 9-4-904, is amended by deleting the words “finance and administration” and by substituting instead the words “general services”.

SECTION 39. Tennessee Code Annotated, Section 9-4-907, is amended by deleting the words “finance and administration” and by substituting instead the words “general services”; and is further amended by adding the following language to the end of the first sentence:

provided, however, that until such time as a policy shall be issued by the commissioner of general services and approved by the state building commission, the policy formerly issued by the commissioner of finance and administration and approved by the state building commission shall remain effective.

SECTION 40. Tennessee Code Annotated, Title 9, Chapter 4, Part 51, is amended by deleting § 9-4-5115 in its entirety; by designating the existing language of § 9-4-5106(a)(1) as subdivision “(A)”, and by adding the following subdivision to § 9-4-5106(a)(1):

(B) Part 1 also shall include a schedule on tax exemptions, identifying, to the extent practicable, all exemptions from state taxes and estimating the amount of revenue which would be collected by the state in the ensuing fiscal year if the exemptions were not to exist. The schedule shall include an estimate for each such exemption. The estimates of such exemptions shall be based upon the revenue estimates included in the budget document.

SECTION 41. Tennessee Code Annotated, Section 4-3-1003(c), is amended by deleting the subsection in its entirety.

SECTION 42. Tennessee Code Annotated, Title 4, Chapter 3, is amended by deleting Part 53 in its entirety.

SECTION 43. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 44. Sections 1 through 4 of this act shall take effect on July 1, 2013, and all other sections shall take effect upon becoming a law, the public welfare requiring it.